

General Certificate of Secondary Education

A241

Applied Business

Unit A241: Business in action

Specimen Paper

Time: 1 hour 30 minutes

Candidates answer on the question paper.

Additional materials:

Candidate
Forename

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Candidate
Surname

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Centre
Number

--	--	--	--	--	--	--	--	--	--

Candidate
Number

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INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each answer carefully and make sure you know what you have to do before starting your answer.
- Answer **all** the questions.
- Do not write over the bar codes.
- Do not write outside the box bordering each page.
- Write your answer to each question in the space provided.

INFORMATION FOR CANDIDATES

- The number of marks available is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is **80**.
- Quality of written communication will be assessed in the question or part question marked with an asterisk (*).

FOR EXAMINER'S USE

1	
2	
3	
4	
TOTAL	

This document consists of **16** printed pages.

[Turn over

Section A

Answer **all** questions.

Text 1

Play Ltd has been established since 1975 and is a private limited company based in the Midlands. It manufactures toys for children and sells its products to large retail stores within the UK.

Play Ltd's mission statement is 'to make hard wearing and durable toys for children from one to ten years of age'.

1 Refer to Text 1.

- (a) State **one** business activity of Play Ltd.

.....
 [1]

- (b) Identify and explain **two** possible changes in the external environment which could affect the business activity of Play Ltd. **Do not include economic factors.**

Change 1: [1]

Explanation:

 [2]

Change 2: [1]

Explanation:

 [2]

- (c) Explain why having a mission statement is important to a business such as Play Ltd.

.....

 [2]

- (d) A business such as *Play Ltd* might try to achieve several business aims. In the boxes below, name three business aims it might set itself. [3]

```
graph TD; A[1.] --- B[Business Aims]; B --- C[2.]; B --- D[3.]
```

1.

2.

Business Aims

3.

- (e) Identify and explain **two** reasons why it is important that Play Ltd sets itself objectives on a regular basis.

Reason 1: [1]

Explanation: [1]

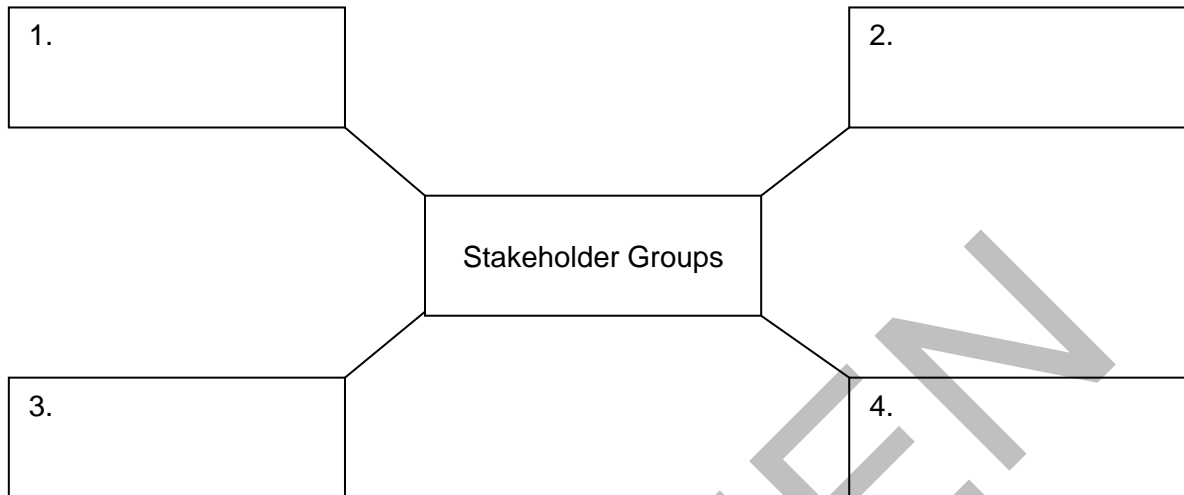
Reason 2: [1]

Explanation: [1]

[Total: 16]

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- 2 (a) Complete the boxes below by inserting **four** different stakeholder groups, **other than employees**, of a business such as Play Ltd. [4]



- (b) (i) Explain the interest of **two** different types of stakeholder groups in a business you have studied.

Name of business:

Stakeholder group 1:

Interest:

..... [2]

Stakeholder group 2:

Interest:

..... [2]

- (ii) Explain a conflict that has occurred between **two** different stakeholder groups in a business you have studied.

Name of business:.....

Stakeholder group 1:.....

Stakeholder group 2:

Explanation:.....

..... [4]

Text 2

This notice appeared in the recent staff newsletter of Play Ltd.

‘As Directors of Play Ltd we believe the business should demonstrate a responsible approach to all of its employees. As a direct result of this we are going to review our ethical behaviour’.

(c) Refer to Text 2.

What is meant by the term 'ethics'?

.....

.....

.....

..... [2]

- (d)** Most businesses today believe it is necessary to show the public that they operate in an ethical manner.

Identify an example of a business you have studied which has acted or is acting in an ethical manner. Discuss the likely consequences to the business of **not** behaving in an ethical manner.

Name of business:

SPECIMEN

.....

.....

.....

..... [10]

[Total: 24]

SPECIMEN

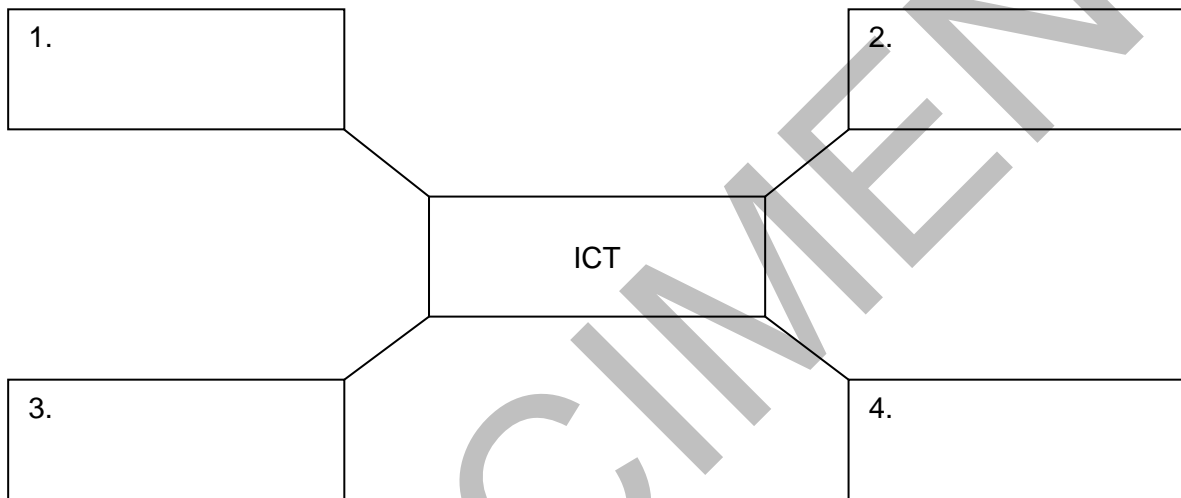
Text 3

There have recently been a number of communication problems at Play Ltd. Most of these concerned the ordering of raw materials.

An internal investigation identified the cause of the problems. Play Ltd has decided that it needs to maintain and improve its communications. Changes are needed to both internal and external communications. Play Ltd needs to invest in new ICT equipment.

3 Refer to Text 3.

- (a) Complete the boxes below by inserting **four** types of ICT used within businesses.

[4]

- (b) Explain the use of **two** types of ICT identified in **part 3(a)** in a business such as Play Ltd.

Type 1:

Use:

.....

.....

.....

.....

..... **[3]**

Type 2:

Use:

.....

.....

.....

.....

..... [3]

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[illegible][illegible][illegible]

.....

..... [10]

[Total: 20]

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Text 4

Play Ltd borrowed money from its bank to finance its new ICT equipment. There has, however, since been an increase in interest rates.

The Directors of Play Ltd have decided to hold a staff meeting to tell all the employees about the training they will receive before the arrival of the new ICT equipment.

4 Refer to Text 4.

- (a) **Other than interest rates**, identify and describe **two** other economic factors which may affect businesses.

Economic factor 1:
 [1]

Description:
 [1]

Economic factor 2:
 [1]

Description:
 [1]

- (b) Identify and explain **three** Acts which are likely to affect the working relationship between employers and employees.

Act 1:
 [1]

Explanation:
 [1]

Act 2:
 [1]

Explanation:
 [1]

Act 3:

.....[1]

Explanation:

.....[1]

- (c)** Discuss how an effective working relationship has been developed between employee and employer in a business you have studied.

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.....

.....

.....

..... [10]

[Total: 20]

[Paper Total: 80]

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The maximum mark for this paper is **[80]**

SPECIMEN

Assessment of QWC

In this external unit the assessment of QWC will take place in question **3(c)** which is a level of response mark scheme and carries 10 marks.

Marks are embedded within this mark scheme for assessing the quality of written communication. The following criteria are embedded within the levels of response for question **3(c)**.

Level 4:

Ability to present relevant material in a well planned and logical sequence. Material is clearly structured using appropriate industry terminology confidently and accurately. Sentences, consistently relevant, are well structured in a way which directly answers the question. There will be few, if any, errors of grammar, punctuation and spelling.

[4 marks representing the appropriate level of written communication are embedded in this level of response.]

Level 3:

Ability to present relevant material in a planned and logical sequence. Appropriate industry terminology is used. Sentences, for the most part relevant, are presented in a balanced, logical and coherent manner which addresses the question. There will be occasional errors of grammar, punctuation and spelling.

[3 marks representing the appropriate level of written communication are embedded in this level of response.]

Level 2:

Limited ability to organise relevant material. Some appropriate industry terminology is used. Sentences are not always relevant with materials presented in a way which does not address the question. There may be noticeable errors of grammar, punctuation and spelling.

[2 marks representing the appropriate level of written communication are embedded in this level of response.]

Level 1:

Ability to communicate at least one point using some appropriate industry terminology. Sentences have limited coherence and structure, often being of doubtful relevance to the main focus of the question. Errors of grammar, punctuation and spelling may be noticeable and intrusive.

[1 mark representing the appropriate level of written communication is embedded in this level of response.]

Please note answers which are assessed as a L1, L2 or L3 from the individual mark scheme criteria may be awarded an additional mark for the quality of written communication if the standard is above the embedded criteria for the quality of written communication.

SPECIMEN

Question Number	Answer	Max Mark
1(a)	<p>State one business activity of Play Ltd?</p> <p><i>For one mark.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • sale of goods (1); • manufacturing of goods (1). 	[1]
(b)	<p>Identify and explain two possible changes in the external environment which could affect the business activity of Play Ltd. Do not include economic factors.</p> <p><i>One mark for each correct identification up to a maximum of two identifications plus up to a further two marks for each of two explanations.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • seasonality (1) at Christmas time (1) demand for toys increases (1); • level of consumer spending on different goods and services (1); • number of people employed in different activities (1); • changing birth rate (1); • impact of technology (1). 	[6]
(c)	<p>Other than economic factors, identify and explain two possible changes in the external environment which could affect the business activity of Play Ltd.</p> <p><i>Up to two marks for explanation.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • it sets out the general purpose of the business (1) helps the business have a direction to aim for (1); • allows the business to set its aims and objectives (1); • it helps employees work towards a common goal (1). 	[2]
(d)	<p>A business such as <i>Play Ltd</i> might try to achieve several business aims. In the boxes below, name three business aims it might set itself.</p> <p><i>One mark for each correct identification up to a maximum of three identifications.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • make a profit (1); • provide goods and services (1); • survival (1); • growth or expansion (1); • maximise sales (1); • be environmentally friendly (1) 	

Question Number	Answer	Max Mark
(b)(ii)	<p>Explain a conflict that has occurred between two different stakeholder groups in a business you have studied.</p> <p><i>Up to four marks for explanation.</i></p> <p>Name of business: Better Build</p> <p>Stakeholder group 1: Environmental pressure groups</p> <p>Stakeholder group 2: Shareholders</p> <p>Explanation: Environmental pressure groups want the company to use expensive eco-friendly insulation as the main building material. Other stakeholders, such as the shareholders, are not as environmentally friendly and did not want to spend the extra money (1). A huge disagreement followed which slowed the build down (1) and cost the company money (1) because of the delay whilst they agreed a compromise solution which involved using some eco-friendly materials where it was cost effective (1).</p> <p>Impossible to predict the candidate's chosen context but responses should draw on the following indicative content, such as :</p> <ul style="list-style-type: none"> • employees wanting a pay rise higher than employer offering; • local residents complaining about noise from a new housing development; • suppliers putting up costs of raw materials; • government regulation of the housing market. 	[4]
(c)	<p>What is meant by the term 'ethics'?</p> <p><i>Up to two marks.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • moral principles or rules (1) generally accepted by most members of society (1). 	[2]
(d)	<p>Most businesses today believe it is necessary to show the public that they operate in an ethical manner.</p> <p>Identify an example of a business you have studied which has acted or is acting in an ethical manner. Discuss the likely consequences to the business of not behaving in an ethical manner.</p> <p>Level 4 [9-10 marks]</p> <p>Candidate evaluates likely consequences of business not behaving in an ethical manner.</p> <p>Level 3 [7-8 marks]</p> <p>Candidate analyses likely consequences of business not behaving in an ethical manner.</p> <p>Level 2 [4-6 marks]</p> <p>Candidate applies knowledge of likely consequences to chosen business of not behaving in an ethical manner.</p> <p>Level 1 [1-3 marks]</p> <p>Candidate identifies likely consequences to a business of not behaving in an ethical manner.</p> <p>0 marks = no response or response does not address the question.</p>	

Question Number	Answer	Max Mark
	<p>Name of business: The Body Shop</p> <p>The Body Shop has a number of ethical policies and values. If the Body Shop does not follow these values and policies it risks losing customers and consequent business profits because the business is seen to be environmentally friendly and unwilling to test on animals. This means that if the Body Shop stopped acting in this way then it would lose customers and subsequently profit. This would be considered to be a Level 4 response.</p> <p>Impossible to predict the candidate's chosen context but responses should be marked on a skills basis and draw on the following indicative content, such as:</p> <ul style="list-style-type: none"> • producing goods that are not fit for purpose; • exploiting workforce/child labour; • disposing of materials in unenvironmental way; <p>bribery and corruption as a working practice.</p>	[10]
3(a)	<p>Complete the boxes below by inserting four types of ICT used within businesses.</p> <p><i>One mark for each correct identification up to a maximum of four identifications.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • personal computers (1); • networks (1); • the Internet (1); • intranets (1); • telephones (1); • faxes (1). 	[4]
(b)	<p>Explain the use of two types of ICT identified in part 3(a) in a business such as Play Ltd.</p> <p><i>Up to three marks for each explanation.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> • personal computers allow businesses to record (1), store (1) and retrieve customer data (1); • networks and intranets allow employees within a business to communicate (1) with each other easily (1); • the Internet allows a business to advertise on-line (1); • telephones allow employees, customers and suppliers to talk to each other (1); • faxes allow picture messages to be sent electronically (1) using a phone line to other employees, customers and suppliers (1). 	[6]

Question Number	Answer	Max Mark
(c)*	<p>Discuss the potential benefits which an investment in new ICT equipment may have in a business which you have studied.</p> <p>This question will be assessing QWC. See instructions at front of mark scheme.</p> <p>Level 4 [9-10 marks] Candidate evaluates likely benefits to business of new investment in ICT.</p> <p>Level 3 [7-8 marks] Candidate analyses likely benefits to business of new investment in ICT.</p> <p>Level 2 [4-6 marks] Candidate applies knowledge to chosen business of likely benefits of new investment in ICT.</p> <p>Level 1 [1-3 marks] Candidate identifies likely benefits to a business of new investment in ICT.</p> <p>0 marks = no response or response does not address the question.</p> <p>Name of business: ABC Corner Shop</p> <p>This business has recently installed a new stock monitoring systems which allows them to see at a click what they have in the shop, the value of the stock and what they need to order. This has meant that the owner no longer needs physically to count the stock and make calculations which saves time. It does not over order stock so that there is less wastage. The owner can also see the stock in all his shops. This gives the owner more time to focus on other aspects of business practice and hopefully will enable the business to expand/become more profitable. This would be considered to be a Level 4 response.</p> <p>Impossible to predict the candidate's chosen context but responses should be marked on a skills basis and draw on the following indicative content, such as:</p> <ul style="list-style-type: none"> labour saving benefits; cost saving benefits; improved quantity and quality of output; motivation gains. 	[10]
4(a)	<p>Other than an interest rates, identify and describe two other economic factors which may affect businesses.</p> <p><i>One mark for each correct identification up to a maximum of two identifications plus an additional one mark for each of two descriptions.</i></p> <p>Possible responses may include:</p> <ul style="list-style-type: none"> prices (1) if prices increase this may mean that the business sells less (1) thereby reducing its income from sales (1) and eventually its profit margins (1); exchange rates (1) if exchange rates increase (1) this may mean businesses abroad may decide to source the goods/service from another country where the exchange rate is better (1). 	[4]

Question Number	Answer	Max Mark
(b)	<p>Identify and explain three Acts which are likely to affect the working relationship between employers and employees.</p> <p><i>One mark for each correct identification up to a maximum of three identifications plus an additional one mark for each of three explanations.</i></p> <p>Possible responses may include:</p> <p>The Employment Rights Act (1996) (1) + extension;</p> <p>The Sex Discrimination Act (1975) (1);</p> <p>The Race Relations Act (1976) (1);</p> <p>The Disability Discrimination Act (1995) (1);</p> <p>Health and Safety at Work Act (1974).</p>	[6]
(c)	<p>Discuss how an effective working relationship has been developed between employee and employer in a business you have studied.</p> <p>Level 4 [9-10 marks]</p> <p>Candidate evaluates how effective working relationship has been created in business.</p> <p>Level 3 [7-8 marks]</p> <p>Candidate analyses how effective working relationship has been created in business.</p> <p>Level 2 [4-6 marks]</p> <p>Candidate applies knowledge of ways in which effective working relationship has been created in chosen business.</p> <p>Level 1 [1-3 marks]</p> <p>Candidate identifies ways in which effective working relationship can be created in a business.</p> <p>0 marks = no response or response does not address the question.</p> <p>Name of business: Harmony Concepts</p> <p>A good working relationship has been established between employee and employer through a series of weekly meetings where staff had the opportunity to talk through with management any issues or problems they faced on a day-to-day basis. Management also ensured that they fully briefed all employees on new developments and changes to working practices so employees were aware of what was going to happen in the future. The employees felt that the regular meetings were more beneficial in creating a good working relationship whilst the employers thought that good communication was more effective. In the long term both approaches would lead to improved motivation, improved productivity and the profitability of the business. This would be considered to be a Level 4 response.</p> <p>Impossible to predict the candidate's chosen context but responses should be marked on a skills basis and draw on the following indicative content, such as:</p> <ul style="list-style-type: none"> • training; • appraisal; • pay; • working conditions; • consultation over redundancy. 	[10]
	Paper Total	[80]

Assessment Objectives Grid

Question	AO1	AO2	AO3	Total
1(a)	1			1
1(b)	2	4		6
1(c)		2		2
1(d)	3			3
1(e)	2	2		4
2(a)	4			4
2(bi)		4		4
2(bii)		4		4
2(c)	2			2
2(d)	3	3	4	10
3(a)	4			4
3(b)		6		6
3(c)*	3	3	4	10
4(a)	4			4
4(b)	3	3		6
4(c)	3	3	4	10
Actual	34	34	12	80

* = Question which is assessing quality of written communication.